

UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, DC

Issued by the Department of Transportation on July 6, 2004

NOTICE OF ACTION TAKEN -- DOCKET OST-2004-17986

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Joint Application of <u>Air Wisconsin Airlines Corporation</u>, <u>Chautauqua Airlines</u>, <u>Inc.</u>, <u>Mesa Airlines</u>, <u>Inc.</u>, <u>Republic Airline</u>, <u>Inc.</u>, <u>Shuttle America Corp.</u>, <u>SkyWest Airlines</u>, <u>Inc.</u>, <u>Trans States Airlines</u>, <u>Inc.</u>, <u>(Joint Applicants)</u> filed 5/28/2004 for:

XX Statement of Authorization pursuant to 14 CFR Part 212, on an interim basis, to:

for a 90-day period, enable the Joint Applicants to carry the codes of certain foreign carriers (described below) on services that Joint Applicants operate as United Express, pending finalization and Departmental review of relevant contractual agreements. The Joint Applicants state that such Statement of Authorization will facilitate continuity of code-share services offered by certain foreign carriers, all of which are members of the Star Alliance and code-share partners of United Air Lines, Inc., on United Express flights heretofore operated between U.S. points by Atlantic Coast Airlines, Inc. (ACA)¹ Each of the Joint Applicants requests authorization to display the two-letter designator code of any of the foregoing foreign carrier partners on flights operated by that Joint Applicant as United Express between any points in the United States. The Joint Applicants notify the Department that they intend to code share between Chicago (ORD) and/or Washington, DC (IAD), on the one hand, and other U.S. points, on the other, as listed in Attachment A, as initial points of service.²

The Joint Applicants state that over the forthcoming weeks, ACA is due to terminate all of its services as a United Express carrier. United has entered into agreements with each of the Joint Applicants to operate those flights in place of ACA, with such transition process scheduled to be completed by August 5, 2004. They further state that the foreign carrier partners (with few

¹ The foreign carriers named are: Air Canada, All Nippon Airways Co. Ltd., Austrian Airlines, Österreichische Luftverkehrs AG, British Midland Airways Limited, Deutsche Lufthansa AG, and Scandinavian Airlines System (collectively, the "foreign carrier partners").

² The Joint Applicants state if any of the Joint Applicants plan to introduce code-share service in conjunction with any of the foreign carrier partners in other city pairs not listed in the attachment, they will notify the Department in advance in writing. The Joint Applicants give notice of their intent to display the designator codes of the foreign carrier partners in conjunction with flights the Joint Applicants will operate as United Express. They state that "[F]or purposes of satisfying the Department's standard requirement that carriers provide advance notice of any new city pair in which the designator code of a foreign carrier will be displayed, the Joint Applicants request that such notice given by any of the Joint Applicants with respect to code sharing by any of the foreign carrier partners be deemed notice given by each of the other Joint Applicants. Such an approach, which will minimize the administrative burden on the Department and the Joint Applicants, [they maintain] is necessary to accommodate routine United Express schedule and other operational changes." (Application at 4, fn 5)

exceptions)³ do not have pre-existing code-share relationships with any of the Joint Applicants and therefore additional authorization is required to enable them to continue to display their designator codes on established United Express routes currently operated by ACA. The Joint Applicants thus request a limited statement of authorization for an initial 90-day period, pending the award of similar authority of indefinite duration following the Department's review of the above-referenced code-share arrangements that will be submitted to the Department.

They further state that prior to the expiration of the 90-day period, the Joint Applicants expect to file with the Department of Transportation in the above-captioned docket definitive code-share agreements with the foreign partners, along with a request that the Department, subject to its review of those agreements and consistent with DOT policy, grant a statement or statements of authorization of indefinite duration, subject to usual conditions the Department generally attaches to such code-share authority. The Joint Applicants state that approval of this application will facilitate continuity of existing code-share services for passengers and will help minimize the regulatory burdens on the Department arising from the operational change-over of United Express services from ACA to the Joint Applicants.

No objections were received to the joint application.

Applicant rep: Jeffrey A. Manley (202) 663-6670 DOT Analyst: Linda Senese (202) 366-2367

DISPOSITION

XX Granted, (subject to conditions, see below)

The above action was effective when taken: <u>July 6, 2004</u> through <u>October 4, 2004</u>.

Action taken by: Karan A. Bhatia

Assistant Secretary for Aviation and International Affairs

Conditions: The limited Statement of Authorization granted above is subject to the following conditions:

- (a) The interim statements of authorization are effective only for a period of 90 days. Within that 90 days each of the Joint Applicants must submit, for Department approval, an acceptable signed code-share agreement with each of the foreign partner carriers with which each of the Joint Applicants intends to conduct code-share operations within the United States.
- (b) The Joint Applicants and/or foreign carrier partners must notify the Department no later than 30 days before they begin any new code-share service under the code-share services authorized here. Such notice shall identify the market(s) to be served, which carrier will be operating the aircraft in the code-share market added, and the date on which the service will begin. (Such notices shall be filed in Docket OST-2004-17986.)
- (c) Once a code-share agreement has been submitted and approved by the Department, the Joint Applicants/foreign carrier partners must agree to promptly notify the Department (Office of International Aviation) if the code-share agreement providing for the code-share operations is no longer effective or the carriers decide to cease operating any or all of the approved code-share

³ Exceptions cited are Department Action on Application of SkyWest/Lufthansa, OST-03-16724 dated January 6, 2004; Department action on application of Air Wisconsin/Air Canada, OST-02-12050, dated April 16, 2002; and pending application of SkyWest, dated May 21, 2004 in Docket OST-04-17955 (SkyWest/Air Canada).

⁴ In the circumstances presented, we will be prepared to entertain requests for waivers from the 30-day advance filing period for these notices.

- services.⁵ Such condition is applicable to each of the code-share arrangements identified in the joint application. (Such notice should be filed in Docket OST-2004-17986.)
- (d) The code-sharing operations conducted under this authority must comply with Part 257 and with any amendments to the Department's regulations concerning code-share arrangements that may be adopted. Notwithstanding any provisions in the contract between the carriers, our approval here is expressly conditioned upon the requirements that the subject foreign air transportation be sold in the name of the carrier holding out such service in computer reservation systems and elsewhere; that the carrier selling such transportation (*i.e.*, the carrier shown on the ticket) accept responsibility for the entirety of the code share journey for all obligations established in its contract of carriage with the passenger; and that the passenger liability of the operating carrier be unaffected.
- (e) The authority granted here is specifically conditioned so that neither the Joint Applicants nor the foreign carrier partners shall give any force or effect to any contractual provisions between themselves that are contrary to these conditions.

We may amend, modify, or revoke this authority at any time without hearing.

An electronic version of this document is available on the World Wide Web at: http://dms.dot.gov//reports/reports aviation.asp

⁵ We expect this notification to be received within ten (10) days after such non-effectiveness or of such decision.

US POINTS SERVED BY UNITED EXPRESS FROM CHICAGO O'HARE AND/OR WASHINGTON DULLES

Between Washington Dulles and Chicago O'Hare and:

Akron/Canton, OH

Albany, NY

Lincoln, NE

Allentown/Bethlehem, PA

Appleton, WI

Atlanta, GA

Austin, TX

Binghamton, NY

Lexington, KY

Lincoln, NE

Louisville, KY

Madison, WI

Madison, WI

Memphis, TN

Memphis, TN

Milwaukee, WI

Birmingham, AL Minneapolis/St. Paul, MN

Bloomington, IL
Boston, MA
Nashville, TN
Buffalo, NY
Rurlington, VT
Cedar Rapids, IA
Now York, NY (JFK)
New York, NY (LGA)

Central Wisconsin (Wausau), WI Newark, NJ

Charleston, SC Norfolk, VA
Charleston, WV Oklahoma City, OK

Charlotte, NC
Charlottesville, VA
Cincinnati, OH
Cleveland, OH
Colorado Springs, CO
Columbia, SC

Raleigh/Durham, NC Columbus, OH Richmond, VA Dayton, OH Roanoke, VA Des Moines, IA Rochester, NY Detroit, MI Saginaw, MI Fargo, ND Savannah, GA Fort Wayne, IN Sioux Falls, SD Grand Radids, MI South Bend, IN Green Bay, WI Springfield, IL

Greensboro, NC
Greenville/Spartanburg, SC
Harrisburg, PA
Harrisburg, PA
St. Louis, MO
Hartford, CT
Indianapolis, IN
Jacksonville, FL
Springfield, MO
State College, PA
St. Louis, MO
Syracuse, NY
Traverse City, MI
Tulsa, OK

Jacksonville, FL Tulsa, OK
Kalamazoo, MI White Plains, NY
Kansas City, MO Wichita, KS

Knoxville, TN Wilkes-Barre/Scranton, PA

Lansing, MI